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2 March 1971

MEMORANDUM FOR THE DIRECTOR

SUBJECT: Chinese Intentions in Indochina

1. With the approval and support of the DDI and D/ONE, arrangements have been made for regular meetings of the analysts in OCI, OSR, OER, and ONE who have responsibilities relating to the subject of Chinese intentions in Indochina. FE Division of DDP will also be represented at these meetings and will provide the group with any special background or insights relevant to our common concerns.

2. The purpose of this caucus is to provide extra assurance that all aspects of the situation are being looked at and to insure that we do not fall into the trap of interpreting new information to fit our previous conceptions and recent estimates. The group will not interfere with normal reporting procedures but it may come up with suggestions for additional research, and additional collection, which will be referred to appropriate authorities. We will also produce an informal summary of our reviews of the available intelligence and report them for your

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information as appropriate. At present, we would expect to meet on a weekly basis. Special meetings will be called in the case of unusual developments. The attachment is a review of the substantive aspects of our first meeting held on 26 February.

3. We plan to restrict the dissemination of the group's reporting on this subject. It will be an internal one only. We suggest that copies go to: DCI, DDCI, DDI, D/ONE, D/OCI, D/OSR, D/OER, DDP, C/FE, DDP, and SAVA.

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ATTACHMENT

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1 March 1971

MEMORANDUM FOR THE RECORD

SUBJECT: China Group Review of Chinese Activities Relevant
to the Current Situation in Indochina

1. The overall impression of China's posture at this point is that of watchful waiting. The Chinese are making some moves to prepare for the worst (an extension of US/ARVN ground operations into North Vietnam or northern Laos) while passing the message that they are not looking for trouble and remain confident that North Vietnam can cope with the present threat around Tchepone.

2. This overall impression [REDACTED]

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[REDACTED] is consistent with the slight toning down in Chinese propaganda observed over the past week. Further to this point is the rapid falling off of public rallies in China which were sparked by the official Peking statements last week warning of a threat to China. It has now been left to Hanoi to call attention to this threat and to warn vaguely of possible Chinese intervention.

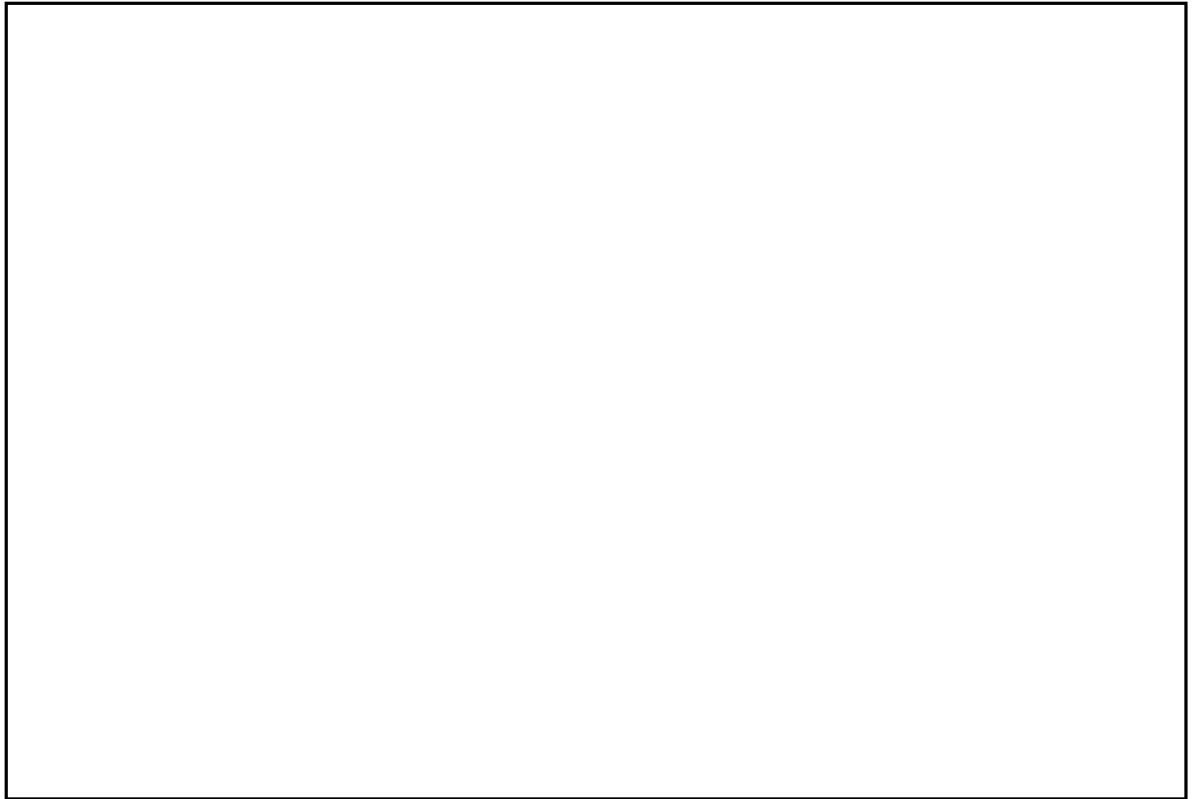
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4. We are alert to a situation in which Hanoi might deploy so much of its strategic reserve to the battle-front as to leave North Vietnam itself highly vulnerable to large-scale ARVN/US troop landings. It is conceivable that Hanoi, concerned over such a contingency, has already reached agreement with Peking for the use of Chinese troops to provide added security within the DRV. Our views on the extent of advanced warning that intelligence could provide on any such movement of Chinese forces

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is not very optimistic. OSR will produce a memorandum within the next few days for your information giving CIA views on the state of our intelligence warning coverage on Chinese forces in south and southwest China.

5. As a final word in this report it is well to keep in mind that China still has problems other than Indochina. Border problems with the USSR have not been resolved and the Soviet military build-up continues. On the domestic scene there is growing evidence of divisions within the leadership over the Army's expanding role in politics. As reported in the 27 February C.I.B., Red Flag has recently launched an attack on military officers, charging that many of them are arrogant and complacent. It is too early to say that a large-scale purge of the Army is underway or that such a purge, if it develops, would seriously limit the Chinese in any course they might wish to follow in Indochina. But the Army now plays the key role in administering China; if a move should develop to cut back its power and influence it could become a game of high stakes, absorbing much of the time and energy of all senior political leaders as well as the Army itself.

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